

AGN. NO. _____

MOTION BY SUPERVISOR YVONNE BRATHWAITE BURKE

JULY 29, 2003

On June 10, 2003 the Board approved a design-build full service lease for a new 88,546 square foot building at 120th and Western, Los Angeles, for the Department of Public Social Services. The Board approved a base rent of \$2.34 per square foot per month, plus additional rent of \$0.65 per square foot per month for operating costs, including a \$0.05 per square foot per month reserve for preventative maintenance and building systems replacements.

The Board authorized the CAO to finalize and execute the Lease and other related documents and implement the project, and also authorized the CAO to agree to an increase or decrease in the base rent by up to \$0.10 per square foot per month on or before July 10, 2003, if a change in interest rates warrants such a correction.

There has been a recent upward fluctuation in interest rates, but the Lease could not be finalized on or before July 10, 2003, and therefore, the CAO is no longer authorized to agree to increase the base rent to reflect the new interest rates. In order to insure that the project is not delayed, the CAO's authorization to agree to an increase

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or decrease in the base rent by up to \$0.10 per square foot per month on the Board's authorized lease needs to be extended to August 10, 2003. All other provisions of the lease have been finalized, with the exception of the base rent provision, and the lease, therefore, will be ready for execution by the parties, if this motion is approved and the base rent adjusted.

I, THEREFORE, MOVE THAT THE BOARD:

Instruct the CAO to finalize and execute the lease with the authority to agree to an increase or decrease in the base rent by up to \$0.10 per square foot per month until August 10, 2003 if a change in interest rates warrants such a correction.